

BANK INDONESIA REGULATION
NUMBER 16 / 1 / PBI / 2014
CONSUMER PROTECTION IN PAYMENT SYSTEM SERVICE

BY THE GRACE OF THE ALMIGHTY GOD
BANK INDONESIA GOVERNOR,

Upon

Considering : a. that in performing the task to manage and maintain smooth payment system, in addition to arrangement of institutional and mechanism aspect, it is also necessary to observe consumer protection in payment system service;

b. that arrangement for consumer protection in payment system service, which is presently spread in some regulations, needs to be reinforced to better reflect the principles of consumer protection;

c. that based on the foregoing, it is necessary to establish Bank Indonesia Regulation on Consumer Protection in Payment System Service;

Observing : 1. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to State Gazette of the Republic of Indonesia Number 3843) as last amended by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 4962);

2. Law Number 3 of 2011 on Fund Transfer (State Gazette of the Republic of Indonesia Number 39 of 2011, Supplement to State Gazette of the Republic of Indonesia Number 5204);
3. Law Number 7 of 2011 on Currencies (State Gazette of the Republic of Indonesia Number 64 of 2011, Supplement to State Gazette of the Republic of Indonesia Number 5223);

HAS DECIDED

To establish : BANK INDONESIA REGULATION CONCERNING CONSUMER
PROTECTION IN PAYMENT SYSTEM SERVICE

CHAPTER I

GENERAL PROVISION

Section One

Definition

Article 1

In this Bank Indonesia Regulation:

1. Payment System means payment system as specified in the Law on Bank Indonesia.
2. Consumer Protection in Payment System Service, hereinafter referred to as Consumer Protection, means any efforts to guarantee legal certainty to give protection to Payment System Service Consumers.
3. Payment System Service Consumer, hereinafter referred to as Consumer, means any individuals using Payment System service by Providers for its own interest and not for business.

4. Payment System Service Provider, hereinafter referred to as Provider, means Banks or Non-Bank Institutions implementing Payment System service activities approved by Bank Indonesia.
5. Bank means the bank specified in Laws on banks and sharia banks as specified in Law on sharia banks.
6. Non-Bank Institution means any institutions other than banks established under the law of Indonesia and carrying on Payment System service activities.

Section Two

Scope

Article 2

Consumer Protection set forth herein covers Consumer Protection in Payment System service activities including:

- a. issuance of fund transfer and/or withdrawal instruments;
- b. fund transfer activity;
- c. Card-Based Payment Instrument;
- d. electronic money activity;
- e. provision and/or deposit of money in Rupiah; and
- f. implementation of any other Payment Systems to be specified in Bank Indonesia provisions.

CHAPTER II

CONSUMER PROTECTION

Article 3

Consumer Protection principles include:

- a. equitable and fair treatment;
- b. transparency;
- c. protection of Consumer's data and/or information; and
- d. effective handling and settlement of complaints.

Article 4

A Provider may ensure the good faith of Consumers and obtain accurate, honest, clear, and true information on and/or documents of Consumers.

Article 5

- (1) A Provider must give equal access to all Consumers.
- (2) To give such equal access as set forth in paragraph (1), a Provider must have a mechanism and procedure for granting access to Consumers.
- (3) In addition to such mechanism and procedure for granting access set forth in paragraph (2), a Provider must also have a mechanism and procedure for granting access to Consumers with special needs.

Article 6

In providing Payment System service incurring any fees borne by Consumers, a Provider must obtain prior written approval of the Consumers.

Article 7

- (1) If a Provider imposes any fees to Consumers in providing Payment System services, such Provider must determine reasonable fees.

- (2) To determine reasonable fees, a Provider must have a fee determination guideline.

Article 8

- (1) In drafting an agreement with any Consumers, a Provider may not state or specify any standard clauses therein which:
- a. set forth discharge/delegation of its liabilities to any Consumers;
 - b. set forth evidence of lost benefit of Payment System service use by any Consumers;
 - c. authorize the Provider to reduce the benefit of the used Payment System service or decrease the assets of any Consumers as the objects of sale and purchase by using Payment System service; and/or
 - d. declare compliance of any Consumers with its regulations in the form of new, additional, further, and/or amended rules it makes unilaterally within the period where Consumers use its Payment System service.
- (2) A Provider may not specify any standard clauses in a location or form any Consumers are difficult to view or read or understand.

Article 9

- (1) A Provider must provide a reliable system in implementing Payment System service activities.
- (2) Provision of the reliable system set forth in paragraph (1) refers to Bank Indonesia provisions specifying each Payment System service.

Article 10

A Provider is responsible to Consumers for any losses arising from the mistakes of its management and employees.

Article 11

- (1) A Provider must give information on the benefits, risks, and consequences to Consumers for using Payment System service.
- (2) The information set forth in paragraph (1) is provided orally or in writing in accordance with Bank Indonesia provisions for Payment System service.
- (3) The information supplied by a Provider set forth in paragraph (2) must:
 - a. use phrases and languages which are easy to understand; and
 - b. use legible writing, if the information is in writing.
- (4) A Provider must supply to its Consumers information set forth in paragraph (1), which is accurate, updated, clear, true, honest, and ethical.

Article 12

- (1) A Provider must give facilities to allow Consumers to obtain information.
- (2) Provisions of facilities set forth in paragraph (1) and information submission procedure refer to Bank Indonesia provisions on Payment System service.

Article 13

A Provider must manage and administer Consumer documents containing accurate, latest, and clear data and/or information information.

Article 14

- (1) A Provider must maintain confidentiality of Consumer's data and/or information.

- (2) To maintain confidentiality of Consumer's data and/or information set forth in paragraph (1), a Provider must have and adopt policy on protection of Consumer's data and-

Article 15

- (1) A Provider may not give Consumer's data and/or information to any other party.
- (2) The provision set forth in paragraph (1) will not apply if:
- a. Consumer gives a written approval; and/or
 - b. it is obliged by the applicable laws and regulations.
- (3) The Consumer's written approval set forth in paragraph (2) letter a must be obtained by a Provider before such Provider gives the data and/or information of the relevant Consumer.

Article 16

- (1) A Provider must have and implement complaint handling mechanism for Consumers.
- (2) The complaint handling mechanism set forth in paragraph (1) must be specified in writing including:
- a. receipt of complaints;
 - b. handling and settlement of complaints; and
 - c. monitoring of handling and settlement of complaints.
- (3) The complaint handling mechanism set forth in paragraph (1) must be notified to Consumers.

Article 17

A Provider may not charge any cost to Consumers for any applied complaints.

Article 18

- (1) A Provider must have a working unit or function which handles and settles complaints lodged by Consumers.
- (2) Authority of the working unit or function set forth in paragraph (1) must be specified in the complaint handling mechanism set out in Article 16.

Article 19

A Provider must follow up and settle complaints lodged by Consumers.

Article 20

- (1) A Consumer may lodge complaints to Bank Indonesia to the extent the following requirements are met:
 - a. such Consumer lodges a complaint to a Provider, who has followed up such complaint, without any consensus between the Consumer and Provider;
 - b. the lodged issue is not a civil issue pending or undecided by any arbitral board or court or without consensus facilitated by a mediation agency; and
 - c. such Consumer suffers from financial loss potential incurred by a Provider at a certain value specified by Bank Indonesia.
- (2) Further provisions for complaint submission procedure, the amount of financial loss potential whose complaints thereof may be lodged to Bank Indonesia, and follow-up of complaint settlement are specified in a Bank Indonesia Circular.

Article 21

- (1) Particularly in provision and/or deposit of money in Rupiah to Consumers, a Provider:
 - a. must provide money in Rupiah:

1. which is fit condition; and
 2. bills according to Consumers' needs;
- b. must ensure that the provided money in Rupiah is:
1. genuine;
 2. still valid as a legal tender; and
 3. in an amount according to Consumers' needs; and
- c. must receive deposit of money in Rupiah from Consumers.
- (2) In receiving deposit of money in Rupiah from Consumers set forth in paragraph (1) letter c, a Provider must check the genuineness of money in Rupiah deposited by Consumers as specified in Bank Indonesia provision on money in Rupiah whose genuineness is doubted.

Article 22

In provision and/or deposit of money in Rupiah set forth in Article 21, a Provider may not charge any cost to Consumers.

Article 23

A Provider must ensure the application of the principles of Consumer Protection by any other parties cooperating with such Provider.

CHAPTER III

INTERNAL CONTROL

Article 24

- (1) The board of directors or management of a Provider is responsible for compliance of implementation herewith.
- (2) A Provider must have an active supervisory system for the board of directors or management for Consumer Protection.

CHAPTER IV

DISSEMINATION AND EDUCATION

Article 25

A Provider must carry on dissemination and education activities related to the Consumer Protection application.

CHAPTER V

REPORTING

Article 26

A Provider must submit to Bank Indonesia a report on Consumer's complaint and settlement in accordance with the applicable provisions in each Payment System service.

CHAPTER VI

SUPERVISION

Article 27

- (1) Bank Indonesia supervises the application of Consumer Protection provision by a Provider.
- (2) Provisions for implementation of supervision by Bank Indonesia set forth in paragraph (1) are specified in a Bank Indonesia Circular.

CHAPTER VII
COORDINATION BETWEEN INSTITUTIONS

Article 28

For application hereof, Bank Indonesia may coordinate with the relevant institutions.

CHAPTER VIII
SANCTIONS

Article 29

- (1) A Provider in breach of the provisions set forth in Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 16, Article 17, Article 18, Article 19, Article 21 paragraph (1) letter b and letter c, Article 22, Article 24, Article 25, and Article 26 will be imposed with the following administrative sanctions:
- a. written warning;
 - b. financial penalty;
 - c. temporary suspension of some or all Payment System service activities; and/or partial temporary suspension or all Payment System service activities; and/or
 - d. revocation of operating license for permit for implementation of Payment System service activities.
- (2) Provisions for sanction imposition procedure and fine amount set forth in paragraph (1) are specified in a Bank Indonesia Circular.

CHAPTER IX

CONCLUDING PROVISION

Article 30

Bank Indonesia provisions for Consumer Protection in Payment System service in implementation of fund transfer through Bank Indonesia National Clearing System (the SKNBI) and Bank Indonesia-Real Time Gross Settlement System (The BI-RTGS System), means of card-based payment instrument payment by using card, and electronic money activities are declared valid provided that it is not in contravention hereof.

Article 31

Obligations of a Provider set forth in Article 5 paragraph (3), Article 16, Article 18, Article 24 paragraph (2), and Article 25 start to take effect as from 1 July 2014.

Article 32

This Bank Indonesia Regulation shall enter into force on the date of its enactment.

For the public to be informed it is hereby ordered that this Regulation be promulgated in a State Gazette of the Republic of Indonesia.

Enacted in Jakarta

Date 16 January 2014

THE GOVERNOR OF BANK

INDONESIA,

AGUS D.W. MARTOWARDJOJO

Promulgated in Jakarta

Date On: 21 January 2014

THE MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 10 OF 2014

DKSP

ELUCIDATION
OF
BANK INDONESIA REGULATION
NUMBER 16/1/PBI/2014
CONCERNING ON
CONSUMER PROTECTION IN PAYMENT SYSTEM SERVICE

I. GENERAL

In a relationship between a Provider and Consumer, the latter is often in a weak position. Imbalance of relationship between a Provider and Consumer among others results from the existence of asymmetric information and power imbalance, low service quality to Consumers, misuse of Consumers' personal data, and ineffective mechanism of dispute resolution between a Provider and Consumer.

By understanding such condition, it is necessary to establish Consumer Protection culture as the responsibility and focus of all parties. In accordance with the authority conferred by the Law to implement tasks to arrange and maintain smooth Payment System, in addition to managing institutional and mechanism aspect, Bank Indonesia manages provisions from the aspect of Consumer Protection and supervises implementation of such rules. Payment System service industry must implement the rules in accordance with the principles of Consumer Protection, while the community also plays a role to become a critical community who cares about Consumer Protection.

Consumer Protection is created by accommodating the principles of Consumer Protection applicable as an international standard, including the principles of fairness and

reliability, transparency, personal data protection, and effective handling and settlement of Consumers' complaints. The application of such principles by a Provider is expected to be able to create a balanced relationship between a Provider and Consumer, thereby allowing to support the creation of a sound business climate of Payment System industry.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Letter a

Instruments of fund transfer and/or withdrawal among others are *bilyet giro* and check.

Letter b

Fund transfer activity herein means fund transfer made through Bank Indonesia-Real Time Gross Settlement System (The BI-RTGS System) and Bank Indonesia National Clearing System (the SKNBI).

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

“Money in Rupiah” means Rupiah set forth in Law Number 7 of 2011 on Currencies.

“Provision of money in Rupiah” among others means provision of money in Rupiah by a Provider to a Consumer for:

- a. withdrawal of money in Rupiah by the Consumer through the Provider's counter, Automated Teller Machine (ATM), or other facilities; and
- b. exchange of money in Rupiah by the Provider's counter.

“Deposit of money in Rupiah” among others is deposit of money in Rupiah by a Consumer to a Provider through the Provider's counter, Cash Deposit Machine (CDM), or other facilities.

Deposit of money in Rupiah by a Consumer may be aimed at deposits, transfer, payment, and/or settlement of other liabilities which must be fulfilled in Rupiah.

Letter f

Self-explanatory

Article 3

Letter a

Equitable and fair treatment Fairness and reliability principle ensures a Provider both treats Consumers in a fair and undiscriminating manner and provides Payment System service in an accurate and safe manner from the aspects of:

- a. regulation rule, institution, mechanism, infrastructure, and instrument; and/or
- b. means of payment.

Letter b

Transparency principle ensures a Provider gives information to Consumers orally and in writing, including information through clear and complete electronic facilities in a comprehensible language.

Letter c

The principle of protection of Consumers' data and/or information ensures a Provider maintains the confidentiality and security of the Consumers' data

and/or information information and it only uses such data and/or information according to the interest and purpose approved by Consumers.

Letter d

The principle of effective handling and settlement of complaints ensures a Provider owns and implements an effective, efficient, responsive, and timely handling and settlement mechanism of Consumers' complaints.

Article 4

Self-explanatory

Article 5

Paragraph (1)

“Equal access” means a Provider gives to any Consumer an equal treatment of Payment System service.

Paragraph (2)

Self-explanatory

Paragraph (3)

“Consumers with special needs” herein mean the blind, the deaf, and elderlies of 60 (sixty) years old or above.

Article 6

“Written approval” herein means approval given by a Consumer through communication media specifically developed by a Provider for communication between the Provider and Consumer, such as email and facsimile. Written approval also includes approval by phone, which will then be specified in the Provider's official record in the form of transcript.

Article 7

Self-explanatory

Article 8

Self-explanatory

Article 9

Paragraph (1)

A reliable system is among others proven by provision of a safe system, appropriate for database or back-up, provision of system and/or procedure ensuring effective internal control, audit trail of transactions made, continuity of activity implementation, sufficient facilities/equipment, and adequate and competent human resources.

Paragraph (2)

Self-explanatory

Article 10

Self-explanatory

Article 11

Paragraph (1)

It includes information provided to Consumers, namely information on rejection, delay, and approval for product application and product change.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 12

Paragraph (1)

Facilities functioning to allow Consumers to obtain information among others are:

- a. written publication in each office of a Provider or through the Provider's website; or
- b. verbal information oral information through the Provider's call center.

Paragraph (2)

Self-explanatory

Article 13

Self-explanatory

Article 14

Paragraph (1)

Self-explanatory

Paragraph (2)

Policy on protection of Consumer's data and/or information information is implemented among others by:

- a. appointing officers responsible for management of Consumer's data and/or information information;
- b. having an information system or written procedure for protection of Consumer's data and/or information information; and
- c. applying mechanism of Consumer's data and/or information information security.

Article 15

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

“Written approval” herein means approval given by a Consumer through communication media specifically developed by a Provider for communication between the Provider and Consumer, such as email and facsimile. Written approval also includes approval by phone, which will then be specified in the Provider’s official record in the form of transcript.

Letter b

Self-explanatory

Paragraph (3)

Self-explanatory

Article 16

Paragraph (1)

Mechanism of complaint handling herein includes provision of media and/or facilities, which may be easily used by Consumers to lodge complaints.

Paragraph (2)

Self-explanatory

Paragraph (3)

Notice of complaint handling mechanism to Consumers may among others be made through the website or brochure.

Article 17

Self-explanatory

Article 18

Self-explanatory

Article 19

Self-explanatory

Article 20

Paragraph (1)

Complaints to Bank Indonesia may be lodged orally or in writing.

Paragraph (2)

Follow-up to the lodged Consumer's complaint will be made by Bank Indonesia among others in the form of notice to a Provider of settlement following the applicable mechanism, education, consultation, and/or facilitation.

Article 21

Paragraph (1)

“Provision of money in Rupiah” means provision of money in Rupiah by a Provider to Consumers for:

- a. withdrawal of money in Rupiah by Consumers through the Provider's counter, Automated Teller Machine (ATM), or other facilities; and
- b. exchange of money in Rupiah through the Provider's counter.

Exchange of money in Rupiah refers to Bank Indonesia provisions for management of money in Rupiah.

Letter a

Number 1

“Fit condition Fit for circulation” means the level of fitness for circulation of money in Rupiah specified by Bank Indonesia.

Number 2

Money in Rupiah in the bills according to Consumer's needs will be provided to the extent a Provider still has the stock of bills needed by Consumers.

Letter b

Number 1

Self-explanatory

Number 2

“Valid means of payment” means money in Rupiah which has not been revoked and withdrawn from the circulation.

Number 3

“Nominal amount according to Consumer’s needs” means the nominal amount without any shortfall or excess.

Letter c

Money in Rupiah deposited to a Provider has been neatly arranged and separated by the type of bill by a Consumer.

Paragraph (2)

Self-explanatory

Article 22

Self-explanatory

Article 23

“Any other party” among others means outsourcing companies and/or parties cooperating with a Provider in providing Payment System service to a Consumer such as marketing of products or services, provision of information, and receipt of complaints.

Article 24

Paragraph (1)

Self-explanatory

Paragraph (2)

Active supervisory system for a Provider's board of directors or management is made according to the needs and risks of each Provider.

Article 25

Implementation of dissemination and education, such as method, media, theme, and frequency, is adjusted to the needs of each Provider.

Article 26

Self-explanatory

Article 27

Paragraph (1)

“Supervision” means direct and/or indirect supervision.

Paragraph (2)

Self-explanatory

Article 28

Self-explanatory

Article 29

Self-explanatory

Article 30

Self-explanatory

Article 31

Self-explanatory

Article 32

Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 5498

* In the event of any discrepancy between the Indonesian and English, then that applies is the reference in Indonesian